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An Equal Opportunity Employer

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Garduño's Restaurants and Secretary Homans Announce Agreement

Restaurant Chain Will Pay All Back Taxes, Penalties & Interest

SANTA FE – State Taxation & Revenue Secretary Rick Homans today announced an agreement in which Garduno's Restaurants pay all back taxes, penalty and interest owed to the State and allows the company to stay in business.

"This agreement will make the State whole, and it keeps hundreds of Garduño's employees working," said Secretary Homans. "Gardunos now has a second lease on life and the opportunity to chart a new future. This company is open for business and I can testify, after my lunch today, that they still serve one of the best enchiladas in New Mexico."

Garduno's owes about \$953,000 in back taxes, interest and penalties to the state. As part of the payment plan reached with the State and approved by State District Judge Daniel Sanchez today, Garduno's has made the following commitments:

- In the last week and a half Garduño's paid all September taxes and an additional \$25,000 upon signing the agreement;
- The company will pay \$86,000 on Dec. 1;

- The remaining balance plus all future penalties and interest will be paid in 60 monthly installments, the maximum term allowed under state law, to be paid on the 10th of each month;
- The company will stay current with all reporting and payment of future taxes due to the State of New Mexico, as required by statute;
- The Taxation and Revenue Department will maintain existing liens against the company until the debt is paid in full;
- Garduño has also committed to an additional \$300,000 by Feb. 1, 2010, to reduce the outstanding balance of back taxes due by nearly half.

For the past two week, the Taxation & Revenue Department has been in daily discussions with representatives of Tortilla, Inc., to come up with a payment plan that protected the State's interest while allowing Garduno's to stay in business, said Secretary Homans.

Judge Sanchez agreed to dissolve an earlier to shutdown Garduno's after its parent company, Tortilla, Inc., has failed to pay its back taxes, interest and penalties to the State.

"I really appreciate the efforts of Secretary Homans and his staff to resolve this issue," said David Garduno, owner of the restaurant chain. "I would like nothing more than to return to good standing with tax-related issues. My goal is to pay my taxes and to serve our product to the Albuquerqueans who have supported us for the last 40 years."

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